

## **(I) BACKGROUND INFORMATION: CONSUMER PROTECTION UNITS**

There are two units that enforce the provisions of the Colorado Consumer Protection Act ("CCPA") (§§ 6-1-101, *et seq.*, CRS). The Consumer Fraud Unit handles traditional consumer protection matters such as false advertising, Internet marketing scams and charitable fraud cases.

The Antitrust, Tobacco and Consumer Protection Unit handles the Colorado Antitrust Act ("Antitrust Act") (§§ 6-4-101, *et seq.*, CRS), several specialized consumer protection statutes, such as the No-Call List Act (§§ 6-1-901, *et seq.*, CRS) and all of the consumer protection laws designed to address mortgage fraud and foreclosure rescue schemes. *See, e.g.*, §§ 12-61-904.5, 12-61-911 and 38-40-105 (governing mortgage loan originator conduct), § 6-1-717, CRS (governing appraisal fraud) and § 6-1-1100, *et seq.*, CRS (Colorado Foreclosure Protection Act). This unit also enforces the Tobacco Master Settlement Agreement and related tobacco laws (§§ 39-28-201, *et seq.*, CRS - Tobacco Escrow Funds Act; and §§ 39-28-301, *et seq.*, CRS - Certified Brands Directory Act). Below is a description of how these units handle their enforcement efforts under their statutory provisions.

### **Consumer Fraud**

Consumer fraud investigations and prosecutions are handled by a variety of attorneys, investigators, and support staff through both Units. While most cases are brought under the Colorado Consumer Protection Act, these Units also bring cases under the Charitable Solicitations Act and the Motor Vehicle Repair Act. In addition to purely local cases, attorneys and staff periodically participate in national or multi-state enforcement activities with their counterparts in the Attorney General Offices of other states and with the Federal Trade Commission.

### **Antitrust**

The Attorney General's antitrust enforcement efforts are directed at protecting consumers and legitimate competitors from a whole range of anticompetitive conduct, including price fixing, conspiracies to suppress competition and mergers that will unreasonably restrain fair competition. The Antitrust, Tobacco and Consumer Protection Unit has one full-time lawyer who enforces the Colorado Antitrust Act and the federal antitrust laws. This lawyer is also responsible for enforcement of the no-call laws. This position is

funded from the general fund. The Attorney General has exclusive jurisdiction to enforce the civil and criminal provisions of the Colorado Antitrust Act. The Attorney General also participates in merger reviews in conjunction with the FTC where the industry at issue implicates statewide interests of concern in Colorado.

### **Tobacco Settlement Enforcement**

Since the State's settlement of the tobacco litigation against the major domestic tobacco companies in 1998, there has been a need for the Attorney General to monitor compliance with the numerous injunctive terms and payment obligations under the Master Settlement Agreement ("MSA") and the Smokeless Tobacco Master Settlement Agreement ("STMSA"). Under these agreements the companies have agreed to a host of marketing restrictions, including a prohibition on youth marketing. Also under these agreements, the companies pay anywhere from \$80.0 - \$100.0 Million to the State of Colorado each year. The fluctuations in payments depend on various complex adjustments provided for under the MSA which relate to sales volume by the participating companies and market share loss to manufacturers that are not part of the MSA (so called, "nonparticipating manufacturers" or "NPMs").

The Antitrust, Tobacco and Consumer Protection Unit monitors compliance with these injunctive terms and ensures that Colorado's interests are protected under the payment calculation provisions. Colorado is still engaged in a protracted arbitration under the MSA regarding the amount that the State's payment can be reduced due to NPM sales in 2003. Resolution of this issue will likely influence payment adjustments for subsequent years. This unit also enforces the tobacco-related statutes that have been enacted as a result of the MSA. Enforcement of these NPM escrow payment obligations requires this office to work closely with the Department of Revenue.

The Antitrust, Tobacco and Consumer Protection Unit has one full-time lawyer who is funded out the tobacco settlement funds.

### **No-Call Enforcement**

The No-Call List Act was enacted in 2002. Since that time over 3.4 Million residential phone numbers have been registered on the no-call list. The no-call list and other procedural aspects of the no-call program are actually administered by the Public Utilities Commission ("PUC"). However,

enforcement of violations are handled by one investigator and one lawyer within the Antitrust, Tobacco and Consumer Protection Unit. The lawyer splits his time between this work and antitrust enforcement. The investigator position is funded in part through the fees generated by telemarketers who buy the no-call lists each quarter. The attorney position is funded through general funds.

The Attorney General investigates complaints that are reported to the PUC of suspected no-call violations. These investigations involve some detailed work to ensure that the jurisdictional elements of the No-Call List Act are satisfied. They also involve identifying the suspects or telemarketers involved in the violation.

### **Mortgage and Foreclosure Rescue Fraud**

To address the rise in mortgage fraud and foreclosure rescue fraud, the General Assembly passed the Foreclosure Protection Act in 2006 and four mortgage fraud bills in 2007. Also, as part of the 2007 mortgage fraud bills the Antitrust, Tobacco and Consumer Protection Unit was staffed with one lawyer FTE and two investigator FTEs to enforce these new laws and the Foreclosure Protection Act. These three new positions are funded through the licensing fees that are paid by mortgage originators to get licensed with the Division of Real Estate's Mortgage Loan Originator Program. The Office also utilizes the services of contract personnel to work directly with consumers facing foreclosure in an effort to assist with the loan modification process.

Most of the work of this unit throughout the past year has been occupied with the historic \$25.0 billion settlement with the five major mortgage servicing companies, Bank of America, Wells Fargo, JP Morgan Chase, Citibank and Ally/GMAC. This settlement concerned the way these five bank-affiliated servicers processed foreclosures and handled homeowners who were trying to save their homes from foreclosure. In particular the "robo-signing" allegations raised concerns whether state foreclosure laws were being followed as the servicing companies processed these unprecedented number of foreclosures. In addition, our office was receiving numerous complaints from homeowners about the problems they encountered when they tried to work with the banks to save their homes from foreclosure. Homeowners trying to work out a loan modification related stories about how they lost their homes to foreclosure while they were trying to arrange a modification that would save them from foreclosure.

This settlement resolved several state and federal claims related to the banks' foreclosure and loan servicing practices. It was the largest settlement reached in a joint federal - state investigation. The federal agencies participating in this settlement were the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, the Consumer Protection Financial Bureau and the U.S. Department of Treasury. Forty-nine state Attorneys General and state banking departments participated in this settlement.

As a result of this settlement the servicing companies agreed to a detailed 42-page injunction and monitoring plan which will regulate the way they conduct foreclosures and handle loan modification requests. The settlement provides for monetary relief in an estimated amount of \$203.25 Million for Colorado. Most of this amount (\$119.6 Million) is available as credits that the banks can earn by modifying loans or refinancing certain high risk loans. In addition, \$51.17 Million in custodial funds were paid to Colorado to help prevent foreclosures and stabilize the housing market. This office has worked with the Governor's Office, the Division of Housing, the leadership in both the state House and Senate and with the housing community to devise a plan to spend this money in a way that will prevent foreclosures and stabilize housing. After holding public hearings and soliciting comments from numerous interested stakeholders this office announced the following foreclosure prevention and housing stabilization programs:

- ▶ \$24.0 Million for supplemental loan mod programs
- ▶ \$18.196 Million for affordable housing programs
- ▶ \$5.625 Million for housing counseling support over three years
- ▶ \$1.5 Million for Colorado Legal Services over three years
- ▶ \$750,000 for Colorado Attorney General's Office enforcement and monitoring support
- ▶ \$600,000 for the Colorado Foreclosure Hotline for an additional three years
- ▶ \$500,000 for marketing and outreach to distressed homeowners

This office has spent much of the 2Q and 3Q - 2012 in getting these programs up and running. Most of these programs will be operational by October 1, 2012.

The settlement negotiations and program development related to this settlement has occupied most of the work of this unit during FY11-12. As a result other investigations and enforcement efforts were put on hold.

In addition, during FY11-12 this unit has undertaken ten new investigations that have the potential to take as much time and resources as the mortgage servicing / foreclosure practices settlement. These investigations have the potential to further strain the resources of this unit but also to yield relief that are additive of this historic settlement.

## **(II) PRIOR YEAR LEGISLATION**

There was no legislation passed last year that will impact our workflow during FY13-14.

## **III) HOT ISSUES**

The major focus during FY12-13 will be on helping homeowners save their homes from foreclosure. This unit will be actively implementing and monitoring the mortgage servicing / foreclosure practices settlement. This unit will also be active in implementing and monitoring the Colorado specific programs that are being established with the \$51.17 Million in settlement funds. This unit will continue to dedicate a staff member to work with borrowers regarding their complaints against the mortgage servicers. The unit has had a staff member devoted to this complaint handling task since the robo-signing allegations were publicized in October 2010.

## **IV) WORKLOAD MEASURES**

### **Workload Indicators**

As discussed in previous budget submissions, quantifiable workload measures are difficult to formulate for the type of consumer protection work that is done by these two units. It is impossible to predict how long any particular litigation will last, or the extent to which a single case will consume unit resources.

Moreover, quantifiable measures such as consumer complaints filed and population growth have been poor predictors of the consumer protection caseload. For example, no-call complaints continue to decrease each year, yet nearly 3.4 Million phone numbers are registered on the no-call list. However, the advent of new calling technology and more diffused telemarketing strategies have actually increased the investigative burden on the no-call enforcement staff. In a similar vein, homeowners who have been sold risky

loans through deceptive trade practices, or lost their homes to fraudulent foreclosure rescue scams seldom file complaints with our office regarding these practices. However, mortgage fraud and foreclosure rescue fraud has accounted for the greatest portion of this unit's work during the past two fiscal years.

As discussed below, this unit's experience with the foreclosure crisis provides a case-in-point as to why these artificial measures are poor predictors of workload and why they should not be used to set targets or project workload. We have found that our limited resources are best guided by enforcement priorities that respond to current issues that are affecting a large number of consumers, such as the foreclosure crisis. These current issues can arise quickly, such as the robo-signing scandal. Or they can be revealed by a qualitative analysis of complaints. In any event, we have found that being guided by quantifiable indicators such as consumer complaints or population growth are not accurate indicators of workload or the targets that should be pursued. As explained below, when the Attorney General moved substantial resources towards addressing foreclosure practices, this move resulted in less investigations and cases being commenced. This reallocation of priorities, however, resulted in a landmark settlement from which Colorado homeowners now stand to receive \$203.25 Million in relief.

For these reasons it is difficult to establish benchmarks for enforcement of these laws. In addition, as a prosecutor it would be inappropriate for the Attorney General to set quotas for the number of cases or investigations commenced. Therefore, this report does not set benchmarks in the reports below.

## CORE OBJECTIVES AND PERFORMANCE MEASURES

### CONSUMER FRAUD

*Objective: Identify and prevent deceptive trade practices in marketplaces affecting Colorado consumers and businesses*

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and either sue or settle with individuals or entities that are engaged in deceptive trade practices	Target	70		60		70		70	
	Actual	69	-12.6%	55	-25%	70	0%	70	0%

#### *Strategy:*

The strategy of both Units continues to be, as it has in the past, to investigate those companies attracting both the largest number and the most discernable pattern of complaints alleging a deceptive trade practice. The consumer intake unit analyzes complaint volume and patterns and regularly communicates to the attorneys within the unit those businesses attracting the most compelling consumer allegations of deceptive advertising and sales practices. The unit also confers with other law enforcement agencies including the FTC, postal service, FBI, and state district attorney's offices to determine what investigations merit the resources of this unit. When investigations confirm the allegations of deceptive trade practices the unit proceeds with prosecution alternatives ranging from voluntary changes to business practices to Formal Assurances of Discontinuance to Complaints for restitution, fines, attorney fees and injunctive relief.

This figure represents investigations and cases that were worked on during FY 12 under the Colorado Consumer Protection Act and Charitable Fraud Act. This figure represents the following actions:

- 38 investigations opened
- 18 settlements, assurances of discontinuance or stipulated final judgments reached in cases, regardless of when they were opened
- 13 lawsuits filed

*Performance Evaluation:* The number of lawsuits filed and the amount of settlements reached declined from last year. This decline can be attributed to the amount of time and resources devoted to two large cases handled over this past year; Westwood College and the Magazine case. Westwood required an estimated 70% of one attorney's time while the Magazine case required an estimated 70% of another's. Westwood resulted in a \$4.2 million dollar Consent Judgment. The court order also requires Westwood to implement extensive remedial measures. The Magazine case involves five corporate entities and numerous individual defendants. A lengthy hearing resulted in a preliminary injunction imposed by the court that will severely curtail the deceptive practices of this industry while significantly diminishing harm to consumers, a large percentage of whom are seniors.

The Magazine case will proceed to trial in January and will continue to consume the large majority of the attorney's time. With Westwood having concluded with a Consent Judgment it is expected that that attorney can devote more time to other investigations and filed cases.

## ANTITRUST

*Objective: Preserve competition in marketplaces affecting Colorado consumers and businesses by investigating and resolving conduct that is anticompetitive and unreasonably restricts trade in Colorado.*

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and either sue or settle with individuals or entities that are engaged in anticompetitive conduct such as price fixing, agreeing to restrain trade or entering into mergers that unreasonably restrict competition	Target	7		8		10		10	
	Actual	8	2%	9	12.5%				

*Strategy:*



The antitrust enforcement strategy is to leverage our limited resources by participating in investigations and cases with the Department of Justice, the Federal Trade Commission and other state Attorney General Offices. Anticompetitive practices with the most profound impact on Colorado residents are usually perpetrated by companies operating on a nationwide basis. With just one antitrust lawyer who also splits his time on enforcement of the no-call laws, this unit can leverage our enforcement efforts by coordinating with other state and federal antitrust enforcement agencies. This strategy allows us to take on those practices that have widespread harm within the state and across the nation.

The figure reported for FY12-13 reports the number of cases investigated, litigated or brought to resolution through settlement or judgment. They include traditional investigations of anticompetitive conduct, such as price fixing and agreements to restrain competition. They also include reviews of mergers that threatened to reduce competition. These activities are broken down as follows:

- 1 lawsuit filed against 3 publishers and Apple, Inc. for the sale of electronic books
- 1 merger investigation opened
- 10 settlements reached

*Performance Evaluation:*

All of these cases were conducted in coordination with other state Attorney General offices and/or the U.S. Department of Justice. This strategy has allowed this unit to reach large scale anticompetitive conduct with a limited staff. As a result of this strategy we were able to fulfill our goal of providing protecting for Colorado consumers by leveraging limited resources. This same strategy will be used for FY 12-13.

The e-books lawsuit provides a good example as to the effectiveness of this strategy. In April 2012 Colorado, along with 32 state Attorney General offices, filed suit against 3 publishers and Apple for price fixing on best-selling books that are distributed electronically and read by consumers on tablets or other electronic devices. This is a nationwide practice that Colorado could not handle on its own with just one part-time attorney. This strategy has already resulted in settlements with 3 publishers that cancel the anticompetitive agency agreements that were used for to sell the e-books. These settlements have will result in the payment of \$69.0 Million to consumers on a nationwide basis. Colorado consumers will be eligible to receive \$1.5 Million in restitution.

## TOBACCO

*Objective: Ensure that the Master Settlement Agreement continues to protect consumers and fair competition in the tobacco industry by enforcing the anti-youth marketing and honest advertising requirements contained in this agreement and protecting the payments owed to Colorado under this settlement.*

Performance Measure	Outcome	FY11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		<u>Incidents</u>	<u>Change</u>	<u>Incidents</u>	<u>Change</u>	<u>Incidents</u>	<u>Change</u>	<u>Incidents</u>	<u>Change</u>

Participate in MSA proceedings to ensure that proper payments are made under the settlement to Colorado.	Target	NA		NA		10		10	
	Actual	10	-33%	13	30%				

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Diligently enforce the tobacco laws requiring escrow payments by NPMs and certification of compliant brands by all tobacco manufacturers	Target	NA		NA		95		95	
	Actual	95		95					

*Strategy:*

The strategy for tobacco enforcement is to protect Colorado's settlement payments under the MSA. This is composed of two main functions. The first is to ensure that Colorado's diligent enforcement efforts are presented in the multistate arbitration that is currently pending with regard to the nonparticipating manufacturer (NPM) adjustment.

The other strategy that this unit employs to protect the MSA payments is to diligently enforce the tobacco escrow and certification laws relating to the MSA. Under these laws, an NPM must make certifications as to its sales in Colorado and pay an escrow equivalent to \$0.01 per cigarette. In addition, all tobacco manufacturers regardless of whether they are NPMs or parties to the MSA must certify the brands that they intend to sell in Colorado. If certified, the brands are published on a certified brands directory. This certification process provides an effective way to ensure compliance with the MSA, and therefore, protect Colorado's payment under the MSA.

*Performance Evaluation:*

In FY 11-12, our participation in the NPM arbitration proceedings has produced significant results that will protect the way disputed payments are made to Colorado, and other states. Our staff has attended each hearing before the arbitration panel and was successful in arguing for an interpretation of the MSA that requires payment of disputed amounts. Had the panel adopted the

tobacco companies' interpretation, they would have been able to reduce their MSA payments not only in the future, but potentially recover disputed NPM payments for past years without going through an arbitration and receiving an adjudication of a state's diligent enforcement. Colorado's participation was instrumental in receiving this ruling. As a result of this ruling, the current calculation methods are used to make the payments. Until a determination is made about the states' diligent enforcement the payments should continue in the range of \$80 - \$100.0 Million per year. Our office will continue to participate in these arbitration proceedings in order to protect Colorado's MSA payment. The hearing on Colorado's diligent enforcement efforts is set for December 2012. A decision will be rendered on our diligent enforcement efforts after all states have proceeded to arbitration, which will be in approximately mid-2013. The number reported in table #1 represents participation in proceedings that are conducted under the MSA for the processing of payments. This number has held steady for the last two fiscal years. Most of the work, however, is related to the diligent enforcement proceedings.

With regard to certification review, this unit has met our goal of reviewing each escrow certification and certification made for the certified brands directory in a timely manner. The numbers reported in table #2 represent certifications reviewed and other enforcement efforts to ensure NPM compliance. This number has declined because the number of NPMs selling cigarettes in Colorado has declined since FY 10-11. The certifications are then published to all retailers and provide them with up to date information about brands that may be sold in Colorado. By timely reviewing these certifications and publishing them to retailers, we are able to deter the sale of unauthorized brands in Colorado. This measure has proven to be an effective way to ensure that only compliant brands are sold in Colorado. This control measure in turn protects the MSA payments to Colorado.

## No-Call

*Objective: Ensure that residential privacy is protected by actively enforcing the Colorado No-Call List Act.*

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Identify telemarketers who are	Target	22		22		24		24	

responsible for the most number of violations and take immediate action to bring them into compliance with the No-Call Act.	Actual	20	20%	19	(5%)				
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*Strategy:*

No-call enforcement continues to be a challenge as a result of telemarketers that operate on a nationwide basis and use calling technologies that conceal their location and telephone numbers. The most common no-call violations are committed by companies that operate on a nationwide basis. They use auto-dialer devices that do not scrub calling lists against the no-call list. They use calling technologies that conceal the identity of telemarketers and make it difficult to trace the call back to them.

Our strategy is to use traditional investigative techniques to trace these calls back to the telemarketer, even if they are located out of state or outside the country. In order stop these calls, this office has coordinated information sharing among other state Attorney General Offices and the FTC. We have found that sharing information among state and federal law enforcement agencies has allowed the local Attorney General Office or the FTC to identify the telemarketers and other firms that they work with. The FTC or other Attorney General Office can then bring action to stop the calls.

This enforcement approach is labor intensive. It requires the issuance of numerous subpoenas to local telecom carriers, Internet service providers and financial institutions to identify the particular telemarketer originating the calls. Over the last two fiscal years, the number of these investigations has held steady at around 15 investigations. The number reported above includes these larger investigations and four smaller, local no-call investigations.

*Performance Evaluation:*

This enforcement strategy has been successful in cracking down on no-call violators who have otherwise tried to conceal their identities. Enforcement against these violators is made more difficult when they are located out of state. The information sharing promoted by this office among other law enforcement is starting to show results. Using traditional investigative techniques to trace the number back to the caller we are usually able to progress to a point in the investigation where our information, when shared with other law enforcement, allows the FTC or another Attorney General Office to shut down the violator. Over the last three years this information sharing has allowed the FTC to shut down three large scale telemarketers or other firms that provide the calling technologies. As this information sharing becomes more routinized

we feel that this will be an effective way to stop the calls that are being made in violation of the no-call laws. Therefore, we feel that information sharing among these other law enforcement agencies is the best way to identify the violators and stop the calls. We will continue this approach in FY 12-13.

## MORTGAGE AND FORECLOSURE RESCUE FRAUD

*Objective: Preserve and stabilize home ownership in Colorado by helping delinquent borrowers save their homes from foreclosure and preventing exploitation of homeowners in foreclosure.*

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Incidents	Incidents	Change	Incidents	Change	Incidents	Change
Enforce the mortgage fraud and foreclosure rescue fraud laws in order to protect a borrower from foreclosure or unfair loan terms.	Benchmark	140		140		145		145	
	Actual	138	+48%	138		145		145	

### *Strategy:*

The foreclosure crisis continues to plague Colorado homeowners and depress home values. During FY11-12 filings of new foreclosures decreased from FY08-09 and FY10-11 due in part to the robo-signing scandal. During FY11-12 this office used this respite to change its approach to the crisis. The settlement reached with the major mortgage servicers attempts to stop the foreclosures before they happen. The settlement also requires that when a foreclosure occurs, state law must be followed. This settlement provides \$203.5 Million in possible relief to Colorado homeowners who are trying to save their homes.

This strategy differs from prior enforcement efforts. In prior fiscal years enforcement was largely directed at fraudulent mortgage brokers, loan modification firms and foreclosure rescue firms who were preying on vulnerable homeowners. During FY11-12 and in the next two fiscal years this unit will employ three strategies to try to reach homeowners before they fall victim to foreclosure and the rescue scams that prey on these homeowners.

First, this unit will be actively monitoring the settlement to ensure that relief is provided to homeowners in need. Our office serves on the monitoring committee which is tasked with working with the settlement monitor to ensure that the major mortgage servicers are following the requirements necessary to evaluate a modification request and provide meaningful relief to struggling homeowners.

Second, this unit will get the programs up and running with the settlement funds. These settlement programs are directly related to helping delinquent borrowers avoid foreclosure. There are also significant funds provided to help stimulate affordable housing construction. Taken together these programs will provide some assistance in stabilizing housing in Colorado.

Third, this unit will continue to devote one full-time staff to escalate complaints to the major mortgage servicers. During FY11-12 the staff member devoted to this job escalated 362 complaints by homeowners. Each of these complaints was reviewed at the highest levels of the major mortgage servicers. This afforded these particular homeowners an independent review of their request for assistance. It also provided this office with valuable information about the practices that the major mortgage servicers were using to process modification requests. This information was useful in our negotiations with the banks and will provide current information about their compliance with the settlement. We plan to continue this function in FY12-13 and FY13-14.

*Performance Evaluation:*

By focusing on the foreclosure and servicing practices this unit is trying to reach homeowners before they become a victim of the foreclosure crisis. This approach has achieved some large scale relief for struggling homeowners. This new enforcement approach took a tremendous amount of resources, which necessarily diverted resources from other enforcement efforts. In previous years these resources were devoted to enforcement against fraudulent mortgage brokers, loan modification firms and foreclosure rescue scams. These enforcement efforts resulted in large reported numbers in these reports. In FY11-12, however, the number of actions taken was reduced by 81% as the focus was placed on foreclosure and servicing practices. This resulted in a larger overall relief being made available to a greater number struggling homeowners. This unit will continue with this approach in FY12-13 and FY13-14.

The unit has ten large scale investigations that may provide additive of the significant relief already obtained. These larger scale investigations will be pursued in FY12-13 and FY13-14. We feel that this enforcement strategy provides the most effective way to get relief to homeowners at an earlier stage and provides a better chance of them saving their homes. It also provides an example of how our enforcement efforts are driven by strategic priorities rather than artificial targets that are based on complaints filed or population trends. As discussed above these factors are poor predictors of the enforcement priorities that this unit serves. Rather we will continue to be strategic in our choice of enforcement objectives.

# DEPARTMENT OF LAW

## FY 2013-14 RECONCILIATION OF DEPARTMENT REQUEST

### (5) Consumer Protection

Long Bill Line Item	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
<b>(A) Consumer Protection and Anti-Trust</b>							
FY 2012-13 Long Bill Appropriation (HB 12-1335)	\$2,167,295	26.0	\$928,104	\$0	\$997,710	\$241,481	\$0
HB 12-1246 Reverse Portion of Paydate Shift	\$2,919		\$2,919		\$0	\$0	
<b>FY 2012-13 Total Appropriation</b>	<b>\$2,170,214</b>	<b>26.0</b>	<b>\$931,023</b>	<b>\$0</b>	<b>\$997,710</b>	<b>\$241,481</b>	<b>\$0</b>
Prior Year Salary Survey	\$0	0.0	\$0	\$0	\$0	\$0	\$0
Prior Year Performance-based Pay	\$0	0.0	\$0	\$0	\$0	\$0	\$0
Annualization of FY 12 Consumer Protection DI #1	(\$34,410)	0.0	\$0	\$0	(\$34,410)	\$0	\$0
<b>FY 13-14 Base Request</b>	<b>\$2,135,804</b>	<b>26.0</b>	<b>\$931,023</b>	<b>\$0</b>	<b>\$963,300</b>	<b>\$241,481</b>	<b>\$0</b>
Refinance PIO Position DI	(\$89,284)	(1.0)	\$0	\$0	(\$89,284)	\$0	
Refinance Tobacco DI			\$153,795		(\$153,795)		
<b>FY 2013-14 November 1 Request</b>	<b>\$2,046,520</b>	<b>25.0</b>	<b>\$1,084,818</b>	<b>\$0</b>	<b>\$720,221</b>	<b>\$241,481</b>	<b>\$0</b>
<b>(B) Consumer Credit Unit</b>							
FY 2012-13 Long Bill Appropriation (HB 12-1335)	\$1,521,916	20.0	\$0	\$0	\$1,521,916	\$0	\$0
	\$0		\$0		\$0		
<b>FY 2012-13 Total Appropriation</b>	<b>\$1,521,916</b>	<b>20.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,521,916</b>	<b>\$0</b>	<b>\$0</b>
Prior Year Salary Survey	\$0	0.0	\$0	\$0	\$0	\$0	\$0
Prior Year Performance-based Pay	\$0	0.0	\$0	\$0	\$0	\$0	\$0
Annualization of FY 12 UCCC DI #2	(\$9,766)	0.0	\$0	\$0	(\$9,766)	\$0	\$0
<b>FY 13-14 Base Request</b>	<b>\$1,512,150</b>	<b>20.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,512,150</b>	<b>\$0</b>	<b>\$0</b>
	\$0	0.0			\$0		
<b>FY 2013-14 November 1 Request</b>	<b>\$1,512,150</b>	<b>20.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,512,150</b>	<b>\$0</b>	<b>\$0</b>
<b>(D) Indirect Cost Assessment</b>							
FY 2012-13 Long Bill Appropriation (HB 12-1335)	\$471,352	0.0	\$0	\$0	\$434,140	\$37,212	\$0
<b>FY 2012-13 Total Appropriation</b>	<b>\$471,352</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$434,140</b>	<b>\$37,212</b>	<b>\$0</b>
New Indirect Calculation	\$22,419				\$19,595	\$2,823	

# DEPARTMENT OF LAW

## FY 2013-14 RECONCILIATION OF DEPARTMENT REQUEST

### (5) Consumer Protection

Long Bill Line Item	Total Funds	FTE	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
FY 13-14 Base Request	\$493,771	0.0	\$0	\$0	\$453,735	\$40,035	\$0
PIO Decision Item	\$10,480				\$9,630	\$850	
FY 2012-13 Total Appropriation	\$504,251	0.0	\$0	\$0	\$463,366	\$40,885	\$0
(5) Consumer Protection							
FY 2011-12 Appropriation(Long Bill plus Special Bills)	\$4,163,482	46.0	\$931,023	\$0	\$2,953,766	\$278,693	\$0
FY 2012-13 Base Request	\$4,141,725	46.0	\$931,023	\$0	\$2,929,185	\$281,516	\$0
FY 2012-13 November 1 Request	\$4,062,921	45.0	\$1,084,818	\$0	\$2,695,737	\$282,366	\$0



## SCHEDULE 2 - PROGRAM SUMMARY

Department of Law		CONSUMER PROTECTION & ANTI-TRUST											
		Actual FY 11		Actual FY 12		Appropriation FY 13		Estimate FY 13		Request FY 14			
Item		Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE		
CONS. PROTECT. & ANTI-TRUST		2,078,028	19.7	1,986,411	19.3	2,170,214	26.0	2,536,380	26.0	2,046,520	25.0		
General Fund		1,088,018		1,035,387		931,023		1,124,810		1,084,818			
General Fund Exempt		-		-		-		-		-			
Cash Fund		720,169		684,466		997,710		1,144,566		720,221			
Reappropriated Funds		269,841		266,558		241,481		267,004		241,481			
Federal Funds													



# SCHEDULE 3 - PERSONAL SERVICES PROGRAM DETAIL

Department of Law

CONSUMER PROTECTION & ANTI-TRUST

Item	Actual FY 11		Actual FY 12		Approp. FY 13		Estimate FY 13		Request FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>I. POSITION DETAIL</b>										
Deputy Attorney General	124,728	1.0	124,728	1.0			124,728	1.0	124,728	1.0
First Assistant Attorney General	200,520	2.0	200,097	2.0			210,780	2.0	210,780	2.0
Senior Assistant Attorney General			32,936	0.4			93,060	1.0	93,060	1.0
Assistant Attorney General	479,086	6.7	453,612	6.3			558,300	7.0	558,300	7.0
Assistant Attorney General II										
Assistant Attorney General I										
Compl Investigator I			6,534	0.1						
Criminal Investigator II	109,673	1.4	148,824	2.0			148,824	2.0	148,824	2.0
Criminal Investigator I	58,896	0.8					66,900	1.0	66,900	1.0
Compl Investigator II	61,792	1.0	64,800	1.0			121,152	2.0	121,152	2.0
Legal Assistant II	117,205	2.0	87,234	1.5			224,736	4.0	224,736	4.0
Admin Asst II	40,020	1.0	40,020	1.0			79,620	2.0	79,620	2.0
General Professional IV	69,996	1.0	64,498	0.9			80,004	1.0	80,004	1.0
General Professional III	9,949	0.2	61,080	1.0			61,080	1.0	61,080	1.0
General Professional II	46,270	0.8								
Program Assistant II	39,793	0.8	52,176	1.0			52,176	1.0	52,176	1.0
Program Assistant I	49,176	1.0	49,176	1.0			49,176	1.0	49,176	1.0
<b>TOTAL POSITION DETAIL</b>	<b>1,407,103</b>	<b>19.7</b>	<b>1,385,714</b>	<b>19.3</b>			<b>1,870,536</b>	<b>26.0</b>	<b>1,870,536</b>	<b>26.0</b>



# SCHEDULE 3 - PROGRAM DETAIL

## Department of Law

## CONSUMER PROTECTION & ANTI-TRUST

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 13		Request FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>(I.A.) CONTINUATION FTE SALARY COST</b>										
(Permanent FTE by position)										
Continuation Salary Subtotal	1,407,103	19.7	1,385,714	19.3			1,870,536	26.0	1,870,536	26.0
<b>(I.B.) OTHER PERSONAL SERVICES</b>										
PERA on Continuation Subtotal	111,642		103,536				189,859		189,859	
Medicare on Continuation Subtotal	19,830		18,520				27,123		27,123	
Non-Base building Performance Awards							-		-	
Part-Time/Temporary Salaries	90,270		-				-		-	
Contractual Services	43,955		26,505				25,400		25,400	
Overtime Pay	90		6,995							
Sick Leave Conversion										
Termination/Retirement Payouts	97		5,014							
Employment Security Payments	2,102		-							
Furlough Days	0		-							
Other Employee Benefits	6971		3,378				2,500		2,500	
Forced Vacancy							(55,921)		(94,001)	
Special Bills							188,961		150,881	
<b>SUBTOTAL</b>	274,957		163,948							
<b>(I.C.) PERSONAL SERVICE</b>										
<b>SUBTOTAL= A+B</b>	1,682,060	19.7	1,549,662	19.3			2,059,497	26.0	2,021,417	26.0
<b>(I.D.) POTS EXPENDITURES</b>										
Health/Life/Dental										
Salary Act/Merit	120,083		117,478				156,941			
Performance Awards							-		-	
Short Term Disability	2,382		2,449				3,311			
SB 04.257 A.E.D.	34,705		37,833				59,857			
SB 06.235 S.A.E.D.	25,313		30,384				51,440			
Other										
[ ] Indicates a Non-add										
<b>(I.E.) BASE PERSONAL SERVICES</b>										
<b>TOTAL = C+D</b>	1,864,543	19.7	1,737,806	19.3			2,279,606	26.0	2,021,417	26.0
General Fund										
General Funds Exempt									851,229	
Cash Funds									954,707	
Reappropriated Funds									215,481	
<b>(I.F.) DIFFERENCE= II-I.E.</b>									-	
<b>(I.G.) REQUEST YEAR DECISION ITEMS</b>										
General Fund										
Cash Funds									0	0.0
Reappropriated Funds										

# SCHEDULE 3 - PROGRAM DETAIL

## CONSUMER PROTECTION & ANTI-TRUST

Department of Law

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 14		Request FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>II. PERSONAL SERVICES REQUEST TOTAL</b>	<b>1,864,543</b>	<b>19.7</b>	<b>1,737,806</b>	<b>19.3</b>			<b>2,279,606</b>	<b>26.0</b>	<b>2,021,417</b>	<b>26.0</b>
General Fund	983,361		930,730				1,000,360		851,229	
General Fund Exempt	-		-				-		-	
Cash Funds	654,122		571,501				1,054,860		954,707	
Reappropriated Funds	227,060		235,575				224,386		215,481	
Federal Funds	-		-				-		-	

# SCHEDULE 3 - OPERATING PROGRAM DETAIL

## Department of Law

## CONSUMER PROTECTION & ANTI-TRUST

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 13		Request FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>OPERATING EXPENSES</b>										
1930 1930 - Purchased Services - Litigation	29,820		57,394				40,418		31,379	
2170 Waste Disposal Services	133		-				-		-	
2230 Equipment Contract Maintenance	375		28				48		48	
2231 ADP Equip Maint/Repair Services	2,717		2,808				2,160		2,160	
2232 Software Upgrades	9,084		8,097				250		250	
2251 Rental/Lease Motor Pool Veh	4,903		4,690				-		-	
2252 Leased Vehicle - Variable	1,497		1,114				1,500		1,500	
2253 Rental of Equipment	196		-				-		-	
2254 Rental of Motor Vehicles	-		-				-		-	
2255 Rental of Building	62,981		65,525				-		-	
2258 Parking	2,640		2,640				2,640		2,640	
2259 Parking Fee Reimbursement	16		4				-		-	
2510 In State Travel	20		-				50		50	
2511 IS Common Carrier Fares	-		-				-		-	
2512 IS Personal Travel Per Diem	358		-				100		100	
2513 IS Pers Vehicle Reimbursement	160		109				-		-	
2514 IS State Owned Aircraft	-		-				-		-	
2515 State-Owned Vehicle Charge	-		-				-		-	
2520 IS Travel Non Employee	-		-				-		-	
2522 IS Non Employee Per Diem	-		-				-		-	
2530 Out of State Travel	1,197		645				950		950	
2531 OS Common Carrier Fares	4,944		2,634				2,250		2,250	
2532 OS Personal Travel Per Diem	5,986		11,763				5,858		5,858	
2533 OS Pers Vehicle Reimbursement	-		-				-		-	
2610 Advertising	-		-				-		-	
2611 Public Relations	-		-				-		-	
2630 Comm Service Div of Telecom	23,018		22,157				23,550		23,550	
2631 Comm Svcs from Outside Sources	2,155		2,441				2,850		2,850	
2641 Other ADP Billing	15,960		17,913				6,744		6,744	
2650 OIT Purchased Svcs	4		-				-		-	
2660 Insurance	2,557		3,467				-		-	
2680 Contract Printing	3,310		2,782				2,625		2,625	
2681 Photocopy Reimbursement	-		-				-		-	
2710 Purchased Medical Services	-		-				-		-	
2810 Freight & Storage	-		-				-		-	
2820 Other Purchased Services	23		65				-		-	
2830 Office Moving-Pur Services	-		-				-		-	
2831 Storage Purchased Svcs	8		48				-		-	
3110 Other Supplies and Materials	-		-				-		-	
3112 Automotive Supplies	-		-				-		-	

# SCHEDULE 3 - OPERATING PROGRAM DETAIL

## CONSUMER PROTECTION & ANTI-TRUST

### Department of Law

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
3113 Clothing and Uniform Allowance	-	-	-	-	-	-	-	-
3114 Custodial	-	-	-	-	200	-	200	-
3115 DP Supplies	1,196	187	187	-	-	-	-	-
3116 Purchased/Leased Software	625	400	400	-	-	-	-	-
3117 Educational	104	-	-	-	-	-	-	-
3118 Food and Food Service Supplies	-	-	12,251	-	9,018	-	9,018	-
3120 Books & Subscriptions	8,793	-	5,230	-	5,280	-	5,280	-
3121 Office Supplies	4,284	-	5,115	-	5,385	-	5,385	-
3123 Postage	5,805	-	467	-	-	-	-	-
3124 Printing/Copy Supplies	-	-	-	-	-	-	-	-
3126 Repair & Maintenance Supplies	-	-	348	-	-	-	-	-
3128 Non-Capitalized Equipment	894	-	-	-	21,335	-	-	-
3131 Noncapitalized Bldg Materials	-	-	-	-	-	-	-	-
3132 Non-Cap Office Furn-Off Systems	550	-	110	-	-	-	-	-
3140 Non-Capitalized IT - PC's	3,010	-	1,163	-	-	-	-	-
3141 Non-Capitalized IT Servers	797	-	-	-	-	-	-	-
3143 Non-Capitalized IT Other	951	-	1,954	-	13,075	-	-	-
3146 Non-Capital. IT Purchsd. Server Software	819	-	-	-	-	-	-	-
3940 Electricity	-	-	-	-	-	-	-	-
3950 Gasoline	-	-	-	-	-	-	-	-
3970 Natural Gas	-	-	-	-	-	-	-	-
4111 Prizes and Awards	300	-	2,000	-	7,550	-	7,550	-
4140 Dues & Memberships	5,933	-	7,300	-	-	-	-	-
4151 Interest - Late Payments	-	-	-	-	-	-	-	-
4170 Miscellaneous Fees	-	-	-	-	-	-	-	-
4180 Official Functions	102	-	434	-	-	-	-	-
4220 Registration Fees	2,835	-	5,321	-	4,000	-	4,000	-
4221 Other Educational - W2 RPT	-	-	-	-	-	-	-	-
6140 Leasehold Improv - Direct Purch	-	-	-	-	-	-	-	-
6210 ADP Equipment	-	-	-	-	-	-	-	-
6212 IT Servers Direct Purchase	1,517	-	-	-	-	-	-	-
6214 IT Other- Direct Purchase	908	-	-	-	-	-	-	-
Operating Expense Subtotal:	213,485	-	248,604	-	157,836	-	114,387	-
OPERATING EXPENSE SUBTOTAL:								
General Fund	213,485	-	248,604	-	157,836	-	114,387	-
General Fund Exempt	104,657	-	104,657	-	79,794	-	79,794	-
Cash Funds	-	-	-	-	-	-	0	-
Reappropriated Funds	66,047	-	112,964	-	52,042	-	8,593	-
	42,781	-	30,983	-	26,000	-	26,000	-



# SCHEDULE 3 - OPERATING PROGRAM DETAIL

Department of Law

CONSUMER PROTECTION & ANTI-TRUST

Item	Actual FY 11 Total Funds	Actual FY 11 FTE	Actual FY 12 Total Funds	Actual FY 12 FTE	Estimate FY 13 Total Funds	Estimate FY 13 FTE	Estimate FY 14 Total Funds	Estimate FY 14 FTE	Request FY 14 Total Funds	Request FY 14 FTE
<b>Potted Operating Expenses</b>										
Workers' Compensation							3,710			
Vehicle Leased Expense							4,894			
Capital Complex Lease Space							64,172			
Leased Space							-			
IT Asset Maintenance							13,275			
Communication Service Payments							1,647			
ADP Capital Outlay							-			
CLE Registration Fees							4,125			
Building Security							7,115			
<b>Total</b>							<b>98,938</b>			
General Fund							44,656			
Cash Funds							37,664			
Reappropriated Funds							16,618			
<b>Rollforwards</b>										
Reappropriated Funds										
<b>DECISION ITEM REQUESTS:</b>										
<b>Dec Item - Tobacco Refiance</b>										
General Fund									153,795	-
Cash Funds									(153,795)	-
Reappropriated Funds										
<b>Dec Item - PIO Refiance</b>										
General Fund									(89,284)	(1.0)
Cash Funds									-	
Reappropriated Funds									(89,284)	(1.0)
General Fund									-	
Cash Funds									-	
Reappropriated Funds										
<b>TOTAL CONSUMER PROTECTION</b>										
General Fund	2,078,028	19.7	1,986,411	19.3	2,536,380	26.0	2,536,380	25.0	2,046,520	
General Fund Exempt	1,088,018		1,035,387		1,124,810		1,124,810		1,084,818	
Cash Funds	720,169		684,466		1,144,566		1,144,566		720,221	
Reappropriated Funds	269,841		266,558		267,004		267,004		241,481	

# SCHEDULE 3 - OPERATING PROGRAM DETAIL

## CONSUMER PROTECTION & ANTI-TRUST

Department of Law

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 13		Request FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>RECONCILIATION OF FUNDS</b>										
Long Bill Appropriation	1,814,069	21.0	1,815,952	21.0	2,167,295	26.0	2,167,295	26.0	2,167,295	26.0
Annualization of FY 13 DI			(34,271)		0		-		(34,410)	
PERA Bill SB 11-76					2919		2,919		2,919	0.0
Pay date Shift bill for biweekly employees										
Refinance Tobacco DI									(89,284)	(1.0)
PIO Refinance DI										
<i>Supplemental</i>										
SB09-192										
Allocated POTS:										
Salary POTS										
Health/Life/Dental	119,184		126,607				156,941			
Short Term Disability	2,633		2,406				2,795			
SB 04.257 A.E.D.	34,516		37,793				57,886			
SB 06.235 S.A.E.D.	24,288		30,231				49,606			
Worker's Compensation	2,557		3,468				3,710			
Vehicle Lease Payments	4,791		3,305				4,894			
Capital Complex Lease Space	71,984		66,614				64,172			
Lease Space							-			
ADP Capital Outlay							-			
Communication Service Payments	1,056		1,140				1,647			
IT Asset Maintenance	12,400		12,400				13,275			
CLE Registration Fees	4,499		4,499				4,125			
Building Security	6,080		6,507				7,115			
Year-End Transfer							-			
Rollforward from previous FY										
Rollforward to subsequent FY										
Overexpenditure/(Reversion) - GF	(20,029)	(0.7)	(42,726)	(1.2)						
Lapsed Appropriation Reappropriated Fund			(4)	(0.6)						
Lapsed Appropriation Cash Fund			(47,510)							
<b>TOTAL RECONCILIATION</b>	2,078,028	20.3	1,986,411	19.3			2,536,380	26.0	2,046,520	
<b>TOTALS</b>	2,078,028	19.7	1,986,411	19.3	2,170,214	26.0	2,536,380	26.0	2,046,520	25.0
General Fund	1,088,018		1,035,387		931,023		1,124,810		1,084,818	
General Fund Exempt										
Cash Funds	720,169		684,466		997,710		1,144,566		720,221	
Reappropriated Funds	269,841		266,558		241,481		267,004		241,481	

# **SCHEDULE 4 - SOURCE OF FINANCING - DIRECT REVENUES**

Department of Law	CONSUMER PROTECTION & ANTI-TRUST						
	Item	Fund Number	Actual FY 2011	Actual FY 2012	Approp FY 2013	Estimate FY 2013	Request FY 2014
<b>Schedule 3 Total</b>							
	General Fund		2,078,028	1,986,411	2,170,214	2,536,380	2,046,520
	General Fund Exempt		1,088,018	1,035,387	931,023	1,124,810	1,084,818
	Cash Funds		-	-	-	-	-
	Reappropriated Funds		720,169	684,466	997,710	1,144,566	720,221
	Federal Funds		269,841	266,558	241,481	267,004	241,481
<b>Cash Funds</b>							
	Dept of Local Affairs (Manufactured Home Fund)		720,169	684,466	997,710	1,144,566	720,221
	No Call Fund Source		20,784	20,784	20,668	20,668	20,668
	146 Custodial Fund		28,254	26,550	25,719	25,719	25,719
	Tobacco Litigation Defense Account		436,475	416,840	717,973	845,999	673,834
	UCCC Custodial		154,656	140,292	153,795	169,053	-
			80,000	80,000	79,555	83,127	-
<b>Reappropriated Funds</b>							
	Custodial Fund Balance		269,841	266,558	241,481	267,004	241,481
	Tobacco Litigation Defense Account		-	-	-	-	-
	UCCC Custodial		-	-	-	-	-
	Division of Real Estate		269,841	266,558	241,481	267,004	241,481



## **D) BACKGROUND INFORMATION: CONSUMER CREDIT UNIT**

This Unit enforces seven state laws relating to consumer credit and debt collections. As of July 1, 2012, it has a combined FTE total of 20 consisting of 4 attorney positions and 17 classified staff positions.

### **Consumer Credit:**

The Consumer Credit unit enforces the Colorado Uniform Consumer Credit Code (UCCC) (consumer lending); Uniform Debt Management Services Act (credit counseling and debt settlement); Credit Services Organization Act (credit repair), Rental Purchase Agreement Act (rent-to-own), and Refund Anticipation Loans Act.

**UCCC:** The UCCC protects the rights of consumers who borrow money, establishes reasonable limits on interest rates and fees, fosters fair competition among lenders, and promotes an adequate supply of credit. The UCCC, title 5 of the Colorado Revised Statutes, includes articles establishing the Colorado Consumer Equity Protection Act (restricting certain terms in high-cost loans), Deferred Deposit Loan Act (payday loans), and the Refund Anticipation Loans Act and Rental Purchase Agreement Act, both described below. The unit licenses and examines lenders who make high-rate loans – defined as loans with an annual percentage rate of more than 12%, including deferred deposit or “payday” lenders – and as of January 1, 2010 may examiner retailers that extend credit and sales finance companies that collect credit contracts. These retailers must file an annual notification form. There is an advisory board – the Council of Advisors on Consumer Credit. The UCCC contains a licensing exemption for residential first mortgage acquisition and refinance loans.

**Debt Management:** Debt management companies act as an intermediary between an individual and creditors to obtain concessions such as reduction of interest, waiver of fees, etc. The law regulates both traditional credit counseling companies that distribute periodic payments to creditors, and debt settlement companies that attempt to negotiate with creditors to settle a debt for a lesser amount. Companies that enter into contracts with Colorado consumers are subject to strict regulation including registration, bonding, insurance requirements, fee limitations, and contract and disclosure requirements. The unit conducts compliance examinations and investigates complaints.

**Credit Repair and Rent-To-Own:** Companies that engage in credit repair contract with consumers to remove old and inaccurate information from credit reports. The law requires written contracts and disclosures and prohibits advance fees. There are no licensing, registration, or compliance examination requirements. The unit investigates complaints. Complaints typically increase during economic downturns. The Rental Purchase Agreement Act regulates rent-to-own companies who lease goods to consumers with impaired credit. Payments are due weekly or monthly. The consumer may continue to make payments and eventually own the items or stop payments and return the items at any time. Fees and costs are higher than retail sales. There is no licensing or registration. The unit investigates complaints and may conduct compliance examinations.

**Refund Anticipation Loans:** The RAL Act requires companies that facilitate short-term tax refund anticipation loans to make written and oral disclosures, including that the products are loans, the fee schedule, sample loan fees and interest rates, and other tax filing alternatives for quick refunds without incurring fees.

### **Debt Collection:**

**Colorado Fair Debt Collection Practices Act:** This unit enforces the Colorado Fair Debt Collection Practices Act (CFDCPA) – the state’s law on consumer debt collection. The law protects businesses that place accounts for collection and protects consumers contacted by collection agencies. This ensures that all collection agencies act in compliance with the law and there is no unfair competition. The unit licenses collection agencies, investigates complaints of unlawful activity, and takes administrative discipline against collection agencies that violate the law. There is no statutory authority to conduct compliance examinations without cause to believe a violation of the law has occurred. There is an advisory board with members appointed by the governor.

**Colorado Child Support Collection Consumer Protection Act:** This law specifically governs collection of child support by private collection agencies contracting with custodial parents (not governmental agencies). In addition to incorporating most of the CFDCPA’s provisions, including licensing, the law provides additional protections applicable to child support collection.

## **II) PRIOR YEAR LEGISLATION**

**Consumer Credit:** HB 12-1328 amended the UCCC to permit pawnbrokers licensed under it to charge the same rates for pawn loans as pawnbrokers licensed by local cities and counties. If a city or county has no local ordinances licensing or regulating pawnbrokers, they must be licensed and subject to compliance examinations under the UCCC. The bill was initiated by the state pawnbroker trade association and took effect August 8, 2012.

## **III) HOT ISSUES:**

### **Consumer Credit:**

- The economic situation impacts the consumer credit area. Compliance examinations and consumer complaints will focus on delinquency, defaults, repossessions, debt purchasing, debt settlement, and collection practices. Over the last five years since the “mortgage meltdown,” all categories of licensed lenders have decreased. However, the numbers of creditors filing notifications have doubled in the same time period and sales finance companies have remained

virtually unchanged. In the near term, the number of licensed lenders is expected to be flat or decrease slightly as lenders reduce the number of direct loans made to subprime borrowers.

- Since January 1, 2010 when unit staff began to examine creditors and sales finance companies that file notification on a regular basis, and debt management companies as of July 1, 2009, compliance examinations have taken more time. This is the first compliance exam for many companies, they may be unfamiliar with detailed compliance and the examination process, and records may not be in good order resulting in larger refunds and slower examinations. In addition, creditors may contest findings, requiring more legal action.
- Enforcement of the Debt Management Services Act continues to take substantial resources. The law is detailed and compliance examinations reveal compliance problems. More importantly, many companies ignore the law or test its exemptions. More than half of the unit's pending litigation involves DMSA cases.
- Rules to implement HB 10-1351 were adopted on August 31, 2010. In December 2010, several payday lenders sued to challenge the rules and law. On August 4, 2011, a Denver District Court judge issued an order holding that the law required pro-rata refunds of a payday loan's origination fee upon prepayment and that the Administrator's rule implementing the bill was valid. No appeal was filed and compliance exams focus on industry adjustment to the three-tiered fee law, now over two years old.
- Significant legal action and investigations involve unlicensed internet payday lenders and claims that loans are made by arms of Native American Indian tribes asserting tribal sovereign immunity. Cases are pending in the Colorado Court of Appeals and Denver District Court. Another unrelated but precedent setting case involves litigation advance funding and whether these transactions are loans.
- The federal Consumer Financial Protection Bureau has been in operation since June 21, 2011 and has federal supervision and regulatory authority to enforce federal law over many of the same non-depository financial industries that the unit regulates – specifically payday loans, private student loans, and some mortgage loans. It will also have supervisory authority over larger market participants (to be defined) in other credit areas and enforcement authority over all consumer credit products. The unit expects to be involved in joint enforcement efforts with the Bureau.

#### **Debt Collection:**

- The negative economic environment has also impacted collection agencies. Accounts assigned for collection increased and so have license numbers. This can result in the filing of more collection lawsuits and has resulted in larger numbers of consumer complaints.

- Nationwide, concerns over collection of old debt, in some cases beyond the statute of limitations, and inadequate proof of debt have been noted. The unit is aware of these concerns and will monitor complaints for trends.
- With the unit now licensing as many collection agencies as supervised lenders, and receiving twice the number of consumer complaints about debt collection as consumer lending, it may be worth considering whether to amend the CFDCPA to allow periodic compliance examinations of collection agencies or continue to investigate only on a complaint basis. Consumers cannot choose a collection agency so there is no free market among consumers in this area (creditors, of course, choose collection agencies but a number of collection agencies purchase and collect their own charged-off debt for collection).



#### **IV) WORKLOAD MEASURE:**

##### **WORKLOAD INDICATORS**

<b>Consumer Credit</b>					
Workload Measure	Unit	FY11 Actual	FY12 Actual	FY 13 Estimate	FY14 Request
New Licenses Issued (UCCC)	Number	80	140	110	120
License Total on June 30 (UCCC)	Number	799	745	725	725
Notifications Filed (Credit Sales, Sales Finance, Rent-to-Own)	Number	1,462	1,433	1,400	1,500
New Registrations Issued (Debt Management)	Number	6	4	5	5
Registration Total on June 30 (Debt Management)	Number	51	49	50	50
Written Complaints Received (UCCC, CSOA, CROA)	Number	461	473	500	500
Written Complaints Received (Debt Management)	Number	61	31	75	80
Compliance Examinations (UCCC)	Number	321	386	450	450

<b>Debt Collection</b>					
Workload Measure	Unit	FY 11 Actual	FY 12 Actual	FY 13 Estimate	FY14 Request
New Licenses Issued	Number	148	122	125	120
License Total on June 30	Number	722	786	750	750
Written Complaints Received	Number	876	964	1,000	800

## CORE OBJECTIVES AND PERFORMANCE MEASURES

### CONSUMER CREDIT

*Objective:* Ensure compliance with consumer credit laws.

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Open investigations and file, defend, or settle cases	Target	100		200		120		130	
	Actual	207		131					

*Strategy:* Enforcement actions and investigations come from consumer complaints, information from competitors, from staff detection of violations during compliance examinations, and publicly available advertising and information on the Internet. These actions are very important in the debt management area as it is a relatively new law. In addition, in the consumer lending and credit area, consumers often are unaware of whether particular fees are legal or if loan payments have been correctly applied.

*Evaluation of Prior Year Performance:* Cases and investigations decreased because of substantial time required on a few large court cases that required attorney and staff time and resources. In addition, in the prior year there was a high priority on contacting debt management companies to advise them of the relatively new law. Companies should now be aware of the DMSA.

*Key Workload Indicators:* Because most cases and investigations arise from consumer complaints, compliance examinations, and searching the Internet, it is difficult to predict these numbers. In addition, changes in the debt management and payday lending laws will, at best, take some time for the industry to reach compliance. There will be some companies that do not comply with statutory changes or never intend to, such as certain online companies. Finally, the relatively new compliance examination programs in many of the consumer credit areas will result in some legal cases and challenges. These numbers cannot be predicted.

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 12 Estimate		FY 13 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Require consumer refunds	Benchmark	\$2,000,000		\$2,200,000		\$3,000,000		\$3,000,000	
	Actual	\$2,159,806		\$5,287,437	145%				

*Strategy:* Refunds result from overcharges and illegal charges discovered from compliance examinations, consumer complaints, searching the Internet, and from litigation. Refunds may include credits to existing balances on open accounts.

*Evaluation of Prior Year Performance:* Consumer refund total amounts were substantially larger than anticipated. This was due to the new examination program of creditors and sales finance companies that had never before been examined and to the litigation under the DMSA. That law prohibits debt management companies from retaining any enrollment fees for certain violations of the law. In addition, the total refund number reflects payday lender refunds due under erroneous interpretations of HB 10-1351. Refunds may not be this large again.

*Key Workload Indicators:* Refund totals are dependent on industry compliance with state law. It generally takes several years for compliance to improve after new laws are adopted or an industry is first subject to regulation or examination.

*Objective:* Ensure efficient operations to benefit creditors and consumers.

### Uniform Consumer Credit Code, Credit Repair, Rent-to-Own

Performance Measure	Outcome	FY11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve complaints within 60 days or less	Benchmark	45		50		50		55	
	Actual	52		41					
Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve 80% of complaints received during FY	Benchmark	80%		80%		80%		80%	
	Actual	89%		78%					

## Debt Management

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 12 Estimate		FY 13 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve complaints within 60 days or less	Benchmark	50		50		60		60	
	Actual	56		16					
Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve 80% of complaints received during FY	Benchmark	80%		80%		65%		65%	
	Actual	67%		45%					

*Strategy:* The Unit's goal was to resolve 80% of consumer complaints received in the fiscal year within an average of 60 days or less. The complaint resolution process includes complaint intake to determine jurisdiction, locating the business, obtaining a response and often additional information, business requests for extensions of time, and staff time to investigate and determine what action to take.

*Evaluation of Prior Year Performance:* For UCCC, complaint completion time decreased and the percent of closed complaints showed a slight improvement. Debt management closure time increased but the percent of closed complaints decreased. This was due to staff time spent on litigation to the detriment of consumer complaint investigation.

*Key Workload Indicators:* Completion time depends on the number and complexity of consumer complaints, whether the business complies with state law, and other workload demands. Complaint numbers usually increase during economic downturns with increased delinquencies, defaults, repossessions, foreclosures, and offers to reduce debt or remove bad credit. In addition, complaints against unlicensed lenders, particularly Internet payday lenders, often increase. These lenders generally refuse to comply with state law, do not respond, and challenge our jurisdiction, requiring legal action. This substantially delays complaint resolution.

## TITLE – DEBT COLLECTION

*Objective:* Ensure compliance with laws regulating collection agencies.

Performance Measure	Outcome	FY11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Open investigations and file, defend, or settle cases	Benchmark	50		50		70		70	
	Actual	45		81					

*Strategy:* Enforcement actions and investigations come from consumer or collection agency client complaints, information from competitors, and from staff detection of violations in license renewal applications. Because the statute does not provide for periodic compliance examinations, complaints are the primary method to ensure compliance.

*Evaluation of Prior Year Performance:* The number of enforcement actions during FY12 increased. In addition, unit attorneys resolved two large cases against unlicensed collection agencies, resulting in preliminary injunctions, fines of \$180,000 total, and judgments against the companies. Resolution of these cases allowed staff to focus on other matters.

*Key Workload Indicators:* The unit filed two administrative disciplinary cases against licensed collection agencies. These cases are not yet set for evidentiary hearings, but will take substantial pre-hearing motion practice and discovery during FY 13. The hearings should be held during that fiscal year. It is difficult to project these numbers as they are based on violations of the law reported by the public and collection agency clients. The unit filed two administrative discipline cases against licensed collection agencies during FY 12. Hearings in these cases will be set for the latter part of FY 13 and will take substantial pre-hearing motion and discovery time. Continuances may push the hearings into FY 14. Of course, it is impossible to predict whether a case will settle or proceed to trial or hearing.

Performance Measure	Outcome	FY 11 Actual		FY12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Issue cease and desist notices to unlicensed collection agencies	Benchmark	65		70		70		70	
	Actual	71		87					

*Strategy:* Cease and desist advisory notices are issued based on information provided by consumers, competitors, and review of lawsuits filed in Colorado courts. Unlicensed

collection agencies are generally offered an opportunity to become licensed if they cease collections and pay a penalty for prior unlicensed collections.

*Evaluation of Prior Year Performance:* This number is generally consistent with past years.

*Key Workload Indicators:* These numbers are typically consistent over the years. Colorado's licensing requirements are clear and readily accessible to collection agencies.

*Objective:* Ensure efficient operations to benefit collection agencies and consumers.

Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve complaints within 60 days or less	Benchmark	60		60		60		65	
	Actual	44		56					
Performance Measure	Outcome	FY 11 Actual		FY 12 Actual		FY 13 Estimate		FY 14 Request	
		Incidents	Change	Incidents	Change	Incidents	Change	Incidents	Change
Investigate and resolve 80% of complaints received during FY	Benchmark	80%		80%		80%		75%	
	Actual	80%		91%					

*Strategy:* The Unit's goals is to resolve consumer complaints within an average of 60 days or less and resolve 80% of written complaints received during a fiscal year. These goals are based on receipt of 1,000 or fewer written complaints. The complaint resolution process includes complaint intake to determine jurisdiction, locating the collection agency, obtaining a response and often additional information, collection agency requests for extensions of time, and staff time to investigate and determine what action to take.

*Evaluation of Prior Year Performance:* Unit performance was good, but resolution time increased as complaint numbers grew. Interestingly, the percent of closed complaints also increased. This may be because the two large lawsuits described above were resolved during FY12, allowing staff to devote time to resolving more consumer complaints.

*Key Workload Indicators:* Resolution time depends on the number and complexity of consumer complaints, whether complaints reveal violations of the law, whether violations can be resolved informally or require administrative or legal action, and whether staff time must be devoted to other activities such as litigation.

## SCHEDULE 2 - PROGRAM SUMMARY

Department of Law		Consumer Credit Unit																	
		Actual FY 11		Actual FY 12		Approp FY 13		Estimate FY 13		Request FY 14									
Item		Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE		
CONS. PROTECT. & ANTI-TRUST		1,587,766	18.0	1,611,151	17.9	1,521,916	20.0	1,830,503	20.0	1,512,150	20.0	1,830,503	20.0	1,512,150	20.0				
General Fund		-		-		-		-		-		-		-		-			
General Fund Exempt		-		-		-		-		-		-		-		-			
Cash Fund		1,587,766		1,611,151		1,521,916		1,830,503		1,512,150		1,830,503		1,512,150					
Reappropriated Funds		-		-		-		-		-		-		-		-			
Federal Funds																			





### SCHEDULE 3 - PERSONAL SERVICES PROGRAM DETAIL

Department of Law		Consumer Credit Unit									
		Actual FY 11		Actual FY 12		Approp FY 13		Estimate FY 13		Request FY 14	
Item		Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
<b>I. POSITION DETAIL</b>											
First Assistant Attorney General		119,952	1.0	119,952	1.0			119,952	1.0	119,952	1.0
Senior Assistant Attorney General		159,178	2.0	164,045	2.0			164,045	2.0	164,045	2.0
Assistant Attorney General		89,640	1.0	89,640	1.0			78,624	1.0	78,624	1.0
Financial Credit Examiner IV		89,244	1.0	89,244	1.0			89,640	1.0	89,640	1.0
Financial Credit Examiner III		312,657	4.9	352,788	5.6			89,244	1.0	89,244	1.0
Financial Credit Examiner II		59,321	1.1	13,227	0.3			378,060	6.0	378,060	6.0
Financial Credit Examiner I		100,822	2.0	102,072	2.0			-	0.0	-	0.0
Compl Investigator I		47,186	1.0	50,150	1.0			109,188	2.0	109,188	2.0
Legal Assistant II		36,284	1.0	39,720	1.0			100,836	2.0	100,836	2.0
Admin Asst II		146,196	3.0	146,196	3.0			39,360	1.0	39,360	1.0
Program Assistant I								150,612	3.0	150,612	3.0
<b>TOTAL POSITION DETAIL</b>		1,160,480	18.0	1,167,034	17.9			1,319,561	20.0	1,319,561	20.0



# SCHEDULE 3 - PROGRAM DETAIL

Department of Law		SCHEDULE 3 - PROGRAM DETAIL											
Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 13		Estimate FY 14		Consumer Credit Unit		
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	
<b>(I.A.) CONTINUATION FTE SALARY COST</b>													
(Permanent FTE by position)	1,160,480	18.0	1,167,034	17.9					1,319,561	20.0	1,319,561	20.0	
Continuation Salary Subtotal													
<b>(I.B.) OTHER PERSONAL SERVICES</b>													
PERA on Continuation Subtotal	85,952		85,715						133,935		133,935		
Medicare on Continuation Subtotal	14,611		14,507						19,134		19,134		
Non-Base building Performance Awards	0		-						-		-		
Part-Time/Temporary Salaries	8,577		7,629						-		-		
Contractual Services	-		513						-		-		
Overtime Pay	550		400						5,245		5,245		
Board Member Compensation													
Sick Leave Conversion	0		3,038										
Termination/Retirement Payouts	0		-										
Employment Security Payments	0		-										
Furlough Days	0		-										
Other Employee Benefits	5421		3,666						3,500		3,500		
Other													
Special Bills													
<b>SUBTOTAL</b>	115,112		115,469						161,814		161,814		
<b>(I.C.) PERSONAL SERVICE</b>													
<b>SUBTOTAL= A+B</b>	1,275,591	18.0	1,282,502	17.9					1,481,375	20.0	1,481,375	20.0	
<b>(I.D.) POTS EXPENDITURES</b>													
Health/Life/Dental	101,521		114,690						121,851		121,851		
Salary Act/Merit									-		-		
Performance Awards									-		-		
Short Term Disability	1,973		2,065						2,071		2,071		
SB 04.257 A.E.D.	26,980		31,363						42,226		42,226		
SB 06.235 S.A.E.D.	19,680		25,198						36,288		36,288		
Other													
[ ] Indicates a Non-add													
<b>(I.E.) BASE PERSONAL SERVICES</b>													
<b>TOTAL = C+D</b>	1,425,746	18.0	1,455,819	17.9					1,647,523	20.0	1,647,523	20.0	
General Fund									-		-		
General Funds Exempt													
Cash Funds													
Reappropriated Funds									1,647,523		1,647,523		

# SCHEDULE 3 - PROGRAM DETAIL

## Department of Law

## Consumer Credit Unit

Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 14	
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
(I.F.) DIFFERENCE= II-I.E.								
(I.G.) REQUEST YEAR DECISION ITEMS								
General Fund								
Cash Funds								
Reappropriated Funds								
<b>II. PERSONAL SERVICES REQUEST TOTAL</b>								
General Fund	1,425,746	18.0	1,455,819	17.9	1,647,523	20.0	1,481,375	20.0
General Fund Exempt	-		-		-		-	
Cash Funds	1,425,746		1,455,819		1,647,523		1,481,375	
Reappropriated Funds	-		-		-		-	
Federal Funds	-		-		-		-	

### SCHEDULE 3 - OPERATING PROGRAM DETAIL

Department of Law		SCHEDULE 3 - OPERATING PROGRAM DETAIL												Consumer Credit Unit			
		Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 14		Request FY 14							
Item	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE			
OPERATING EXPENSES																	
1930 - Purchased Services - Litigation	8,904		8,325						14,494				7,500				
2170 Waste Disposal Services	-		-						-				-				
2230 Equipment Contract Maintenance	820		62						83				83				
2231 ADP Equip Maint/Repair Services	2,844		3,004						-				-				
2232 Software Upgrades	10,532		11,477						-				-				
2251 Rental/Lease Motor Pool Veh	11,174		10,742						-				-				
2252 Leased Vehicle - Variable	9,135		9,737						10,250				10,250				
2253 Rental of Equipment	-		-						-				-				
2254 Rental of Motor Vehicles	-		-						118				118				
2255 Rental of Building	59,320		59,974						-				-				
2258 Parking	-		-						-				-				
2259 Parking Fee Reimbursement	-		11						-				-				
2510 In State Travel	-		-						-				-				
2511 IS Common Carrier Fares	-		-						-				-				
2512 IS Personal Travel Per Diem	2,419		2,403						2,512				2,512				
2513 IS Pers Vehicle Reimbursement	-		1,441						-				-				
2514 IS State Owned Aircraft	-		-						-				-				
2515 State-Owned Vehicle Charge	-		-						-				-				
2520 IS Travel Non Employee	98		84						85				85				
2522 IS Non Employee Per Diem	76		39						45				45				
2523 IS Non Employee Personal Vehicle Reimb	428		395						420				420				
2530 Out of State Travel	-		56						250				250				
2531 OS Common Carrier Fares	-		-						-				-				
2532 OS Personal Travel Per Diem	-		869						-				-				
2533 OS Pers Vehicle Reimbursement	-		-						-				-				
2610 Advertising	-		-						-				-				
2611 Public Relations	-		-						-				-				
2630 Comm Service Div of Telecom	8,029		10,016						11,520				11,520				
2631 Comm Svcs from Outside Sources	957		1,024						1,984				1,984				
2641 Other ADP Billing	3,812		5,211						5,474				5,474				
2650 OIT Purchased Services	8		-						-				-				
2660 Insurance	2,301		2,972						-				-				
2680 Contract Printing	3,114		1,749						3,352				3,352				
2681 Photocopy Reimbursement	-		-						-				-				
2710 Purchased Medical Services	-		-						-				-				
2810 Freight & Storage	-		-						-				-				
2820 Other Purchased Services	51		10						25				25				
2830 Office Moving-Pur Services	-		-						-				-				
2831 Storage Purch Svcs	17		104						-				-				
3110 Other Supplies and Materials	-		-						-				-				

# SCHEDULE 3 - OPERATING PROGRAM DETAIL

Department of Law	Item	Consumer Credit Unit											
		Actual FY 14			Actual FY 12			Estimate FY 13			Estimate FY 13		
		Total Funds	FTE	Total Funds	Total Funds	FTE	Total Funds	Total Funds	FTE	Total Funds	Total Funds	FTE	Total Funds
3112 Automotive Supplies		-	-	-	-	-	-	-	-	-	-	-	-
3113 Clothing and Uniform Allowance		-	-	-	-	-	-	-	-	-	-	-	-
3114 Custodial		-	-	-	-	-	-	-	-	-	-	-	-
3115 DP Supplies		846	-	-	73	-	-	450	-	-	450	-	450
3116 Purchased/Leased Software		1,366	-	-	146	-	-	115	-	-	115	-	115
3117 Educational		-	-	-	-	-	-	-	-	-	-	-	-
3118 Food and Food Service Supplies		-	-	-	-	-	-	-	-	-	-	-	-
3120 Books & Subscriptions		1,182	-	-	1,905	-	-	2,050	-	-	2,050	-	2,050
3121 Office Supplies		3,674	-	-	3,020	-	-	4,020	-	-	4,020	-	4,020
3123 Postage		10,447	-	-	7,904	-	-	10,852	-	-	10,852	-	10,852
3124 Printing/Copy Supplies		-	-	-	148	-	-	-	-	-	-	-	-
3128 Non-Capitalized Equipment		199	-	-	-	-	-	-	-	-	-	-	-
3131 Noncapitalized Bldg Materials		307	-	-	-	-	-	-	-	-	-	-	-
3132 Non- Cap Office Furn-Off Systems		200	-	-	-	-	-	-	-	-	-	-	-
3140 Non-Capitalized IT - PC's		6,345	-	-	2,543	-	-	-	-	-	-	-	-
3141 Non-Capitalized IT Servers		1,744	-	-	-	-	-	-	-	-	-	-	-
3143 Non-Capitalized IT Other		245	-	-	2,413	-	-	-	-	-	-	-	-
3146 Non-Capital. IT Purchsd. Server Software		1,792	-	-	-	-	-	-	-	-	-	-	-
3940 Electricity		-	-	-	-	-	-	-	-	-	-	-	-
3950 Gasoline		-	-	-	-	-	-	-	-	-	-	-	-
3970 Natural Gas		-	-	-	-	-	-	-	-	-	-	-	-
4111 Prizes and Awards		-	-	-	-	-	-	-	-	-	-	-	-
4140 Dues & Memberships		3,370	-	-	5,933	-	-	4,500	-	-	4,500	-	4,500
4151 Interest - Late Payments		-	-	-	-	-	-	-	-	-	-	-	-
4170 Miscellaneous Fees		-	-	-	-	-	-	-	-	-	-	-	-
4180 Official Functions		735	-	-	666	-	-	700	-	-	700	-	700
4220 Registration Fees		225	-	-	874	-	-	225	-	-	225	-	225
4221 Other Educational - W2 RPT		-	-	-	-	-	-	-	-	-	-	-	-
6140 Leasehold Improv - Direct Purch		-	-	-	-	-	-	-	-	-	-	-	-
6210 ADP Equipment		-	-	-	-	-	-	-	-	-	-	-	-
6212 IT Servers Direct Purchase		3,318	-	-	-	-	-	-	-	-	-	-	-
6214 IT Other- Direct Purchase		1,986	-	-	-	-	-	-	-	-	-	-	-
Forced Savings		-	-	-	-	-	-	-	-	-	-	-	(35,754)
Operating Expense Subtotal:		162,020	-	-	155,332	-	-	73,523	-	-	30,775	-	30,775
OPERATING EXPENSE SUBTOTAL:		162,020	-	-	155,332	-	-	73,523	-	-	30,775	-	30,775
General Fund		-	-	-	-	-	-	-	-	-	-	-	0
General Fund Exempt		-	-	-	-	-	-	-	-	-	-	-	0

### SCHEDULE 3 - OPERATING PROGRAM DETAIL

Department of Law		Consumer Credit Unit									
Item	Actual FY 11		Actual FY 12		Estimate FY 13		Estimate FY 13		Request FY 14		
	Total Funds	HIE	Total Funds	HIE	Total Funds	HIE	Total Funds	HIE	Total Funds	HIE	
Cash Funds	162,020		155,332				73,523		73,523		
Reappropriated Funds							0		0		
<b>Potted Operating Expenses</b>											
Workers' Compensation							3,177				
Vehicle Leased Expense							10,677				
Capital Complex Lease Space							55,004				
Leased Space							3,052				
IT Asset Maintenance							28,813				
Communication Service Payments							-				
ALJ							1,135				
CLE Registration Fees							1,500				
Building Security							6,099				
<b>Total</b>							<b>109,457</b>				
General Fund							-				
Cash Funds							109,457				
Reappropriated Funds							-				
<b>DECISION ITEM REQUESTS</b>											
General Fund											
Cash Funds											
Reappropriated Funds											
<b>NP #2</b>											
General Fund											
Cash Funds											
Reappropriated Funds											
<b>TOTAL CONSUMER PROTECTION</b>											
General Fund	1,587,766		1,611,151	17.9			1,830,503	20.0	1,512,150	20.0	
General Fund Exempt	-		-				-		-		
Cash Funds	1,587,766		1,611,151				1,830,503		1,512,150		
Reappropriated Funds	-		-				-		-		
<b>RECONCILIATION OF FUNDS</b>											
Long Bill Appropriation	1,350,707		1,359,706	18.0			1,521,916	20.0	1,521,916	20.0	
PERA Adjustment back to 10.15%											

# **SCHEDULE 3 - OPERATING PROGRAM DETAIL**

Department of Law	Item	Actual FY 11						Estimate FY 12						Estimate FY 13						Estimate FY 14						Consumer Credit Unit					
		Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE
	PERA SB 11-76 @ 7.65%																														
	Supplemental																														
	Annualization of FY 13 DI																														
	Allocated POTS:																														
	Salary POTS																														
	Health/Life/Dental																														
	Short Term Disability																														
	SB 04.257 A.E.D.																														
	SB 06.235 S.A.E.D.																														
	Worker's Compensation																														
	Vehicle Lease Payments																														
	Capital Complex Lease Space																														
	Lease Space																														
	ALJ																														
	IT Asset Maintenance																														
	CLE Registration Fees																														
	Building Security																														
	Year-End Transfer																														
	Rollforward from previous FY																														
	Rollforward to subsequent FY																														
	Overexpenditure/(Reversion) - GF																														
	Lapsed Appropriation Reappropriated Fund																														
	Lapsed Appropriation Cash Fund																														
	<b>TOTAL RECONCILIATION</b>																														
	<b>TOTALS</b>																														
	General Fund																														
	General Fund Exempt																														
	Cash Funds																														
	Reappropriated Funds																														



# **SCHEDULE 4 - SOURCE OF FINANCING - DIRECT REVENUES**

Department of Law	Item	Fund Number	Consumer Credit Unit				
			Actual FY 2011	Actual FY 2012	Approp FY 2013	Estimate FY 2013	Request FY 2014
<b>Schedule 3 Total</b>			1,587,766	1,611,151	1,521,916	1,830,503	1,512,150
General Fund			-	-	-	-	-
General Fund Exempt			-	-	-	-	-
Cash Funds			1,587,766	1,611,151	1,521,916	1,830,503	1,512,150
Reappropriated Funds			-	-	-	-	-
Federal Funds			-	-	-	-	-
<b>Cash Funds</b>			1,587,766	1,611,151	1,521,916	1,830,503	1,512,150
Collection Agency Cash Fund			408,735	417,724	364,893	461,615	363,428
UCCC Cash Fund			1,179,032	1,193,427	1,157,023	1,368,888	1,148,722



## SCHEDULE 2 - PROGRAM SUMMARY

Department of Law		INDIRECT COST ASSESSMENT - CONSUMER PROTECTION											
Item	Actual FY 11		Actual FY 12		Appropri FY 13		Estimate FY 13		Request FY 14				
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE			
INDIRECT COST ASSESSMENT													
General Fund Exempt		307,418		334,907		471,352		471,352		504,251	-		
General Fund													
Cash Funds		271,947		297,695		434,140		434,140		463,366			
Reappropriated Funds		35,471		37,212		37,212		37,212		40,885			

## SCHEDULE 3 - PROGRAM DETAIL

Department of Law		INDIRECT COST ASSESSMENT - CONSUMER PROTECTION											
Item	Actual FY 11		Actual FY 12		Appropri FY 13		Estimate FY 13		Request FY 14				
	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE	Total Funds	FTE			
INDIRECT COST ASSESSMENT													
Cash Funds	307,418		334,907		471,352		471,352		504,251				
Reappropriated Funds	271,947		297,695		434,140		434,140		463,366				
	35,471		37,212		37,212		37,212		40,885				
INDIRECT COST ASSESSMENT													
Cash Funds	307,418		334,907		471,352		471,352		504,251				
Reappropriated Funds	271,947		297,695		434,140		434,140		463,366				
	35,471		37,212		37,212		37,212		40,885				
RECONCILIATION OF FUNDS													
Long Bill Appropriation	328,698		334,907				471,352						
Supplemental Appropriation			(17,510)										
Lapsed Spending Authority CF													
TOTAL RECONCILIATION	311,188		317,397				471,352						



# **SCHEDULE 4 - SOURCE OF FINANCING - DIRECT REVENUES**

Department of Law		INDIRECT COST ASSESSMENT - CONSUMER PROTECTION					
Item	Fund Number	Actual FY 2011	Actual FY 2012	Approp FY 2013	Estimate FY 2013	Request FY 2014	
Schedule 3 Total		307,418	334,907	471,352	471,352	504,251	
General Funds							
General Funds Exempt							
Cash Funds		271,947	297,695	434,140	434,140	463,366	
Reappropriated Funds		35,471	37,212	37,212	37,212	40,885	
Cash Funds		271,947	297,695	434,140	434,140	463,366	
146 Department Custodials Funds		39,413	49,615	161,252	161,252	190,798	
DOLA-Manuf Housing Fund		-	-		-	-	
No-Call Fund					-	-	
Tobacco Litigation Defense Fund		11,824	12,404	12,404	12,404	-	
Collection Agency Board Fund		65,031	68,222	68,222	68,222	79,045	
UCCC Custodial Fund		7,882	12,404	12,404	12,404	-	
Uniform Consumer Credit Code fund		147,797	155,050	179,858	179,858	193,523	
Reappropriated Funds		37,212	37,212	37,212	37,212	40,885	
Department Custodials Funds		-	-				
Collection Agency Board Fund		-	-				
Tobacco Litigation Defense Fund		-	-				
UCCC Custodial Fund		-	-				
UCCC Fund Balance		-	-				
Division of Real Estate Cash Fund		37,212	37,212	37,212	37,212	40,885	
Federal Funds							

